

April 12, 2011

Via e-filing

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

RE: Ex Parte No. 705, Competition in the Railroad Industry

Dear Ms. Brown:

South Carolina Electric & Gas Company ("SCE&G") hereby submits this letter in response to the Notice issued by the Surface Transportation Board ("Board") in this docket on January 11, 2011. In the Notice, the Board invited comments and scheduled a public hearing to address "the current state of competition in the railroad industry and possible policy alternatives to facilitate more competition, where appropriate." Notice at 1.

SCE&G serves approximately 314,000 natural gas customers in a service area more than 22,000 square miles in central and southern South Carolina. We also generate, transmit, distribute and sell electricity to approximately 661,000 retail and wholesale customers throughout South Carolina. SCE&G purchases coal transportation services primarily from CSX Transportation. Competitive, reliable and reasonably priced rail service is vital to SCE&G. SCE&G is aware of the Joint Opening Comments that are being filed by various shipper groups and looks forward to reviewing those comments and other comments being filed in this very important proceeding.

SCE&G commends the Board for beginning this proceeding and thanks the Board for this opportunity to provide comments on the need for competition in the rail industry.

Sincerely,



Sandra L. Brown
On behalf of South Carolina
Electric & Gas Company

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